

### New Administrative Rules of General Application pertaining to Power Generation Permit Applications

Mexico City, April 20, 2022

On March 30, 2022, the Energy Regulatory Commission (*Comisión Reguladora de Energía*, “CRE”) published in the Official Federal Gazette (*Diario Oficial de la Federación*, “DOF”) the Ruling No. A/006/2022 issuing administrative rules of general application that establish the terms for the submission of information related to the corporate purpose, legal, technical and financial capacity, as well as a description of the project, and the format of power generation permit applications (the “New Provisions”).

The New Provisions are aimed at updating and replacing the administrative rules of general application that establish the terms for the submission of information related to the corporate purpose, legal, technical and financial capacity, as well as a description of the project, and the format of power generation permit applications, that were issued by CRE pursuant to the Ruling RES/182/2015, published in the DOF on April 8, 2015 (the “Original Provisions”).

In this regard, the New Provisions: (i) indicate each of the stages comprising the works program of the generation permits; (ii) include new information requirements, specially related to corporate information regarding the applicant and its partners and shareholders (both direct or indirect), (iii) describe in more detail the scope of certain documentation and/or information to be submitted to CRE in connection with the power plants subject to the power generation permit application, such as, particular information regarding isolated supply projects, and business plan of the applicants; (iv) require, as part of the application process, the filing of the Impact Study issued by the National Center of Energy Control (*Centro Nacional de Control de Energía*, “CENACE”) regarding the interconnection and reinforcement works required for the interconnection of the applicable power plant to the National Transmission Grid (*Red Nacional de Transmisión*) or the General Distribution Grids (*Redes Generales de Distribución*); and (v) require the delivery of a “commitment letter” in which the applicants represent, under oath, among others, that neither the applicant nor its shareholders (a) have been declared ineligible to act as supplier by the Ministry of Public Service (*Secretaría de la Función Pública*), (b) have been repeatedly sanctioned by CRE or (c) are subject to a proceeding with the Financial

Intelligence Unit (*Unidad de Inteligencia Financiera*) of the Ministry of Finance (*Secretaría de Hacienda y Crédito Público*).

Additionally, the New Provisions include a series of obligations “post-granting” of the applicable generation permit that were not established in the Original Provisions, nor in other applicable regulations or the terms of the title of the generation permits.

Attached hereto as **Annex 1** is a comparative table between (a) the documentation and information that, pursuant to the Original Provisions, shall be submitted jointly with the generation permit application, and (b) the documents and information that, pursuant to the New Provisions, must be submitted together with the generation permit application. Likewise, attached hereto as **Annex 2**, is a comparative table between the obligations that the permit holders had to comply with in terms of the Fifth Condition of the title of the generation permit and the list of obligations included in the New Provisions.

## **I. General background**

Pursuant to article 17 of the Power Industry Law (*Ley de la Industria Eléctrica*, “LIE”), all Power Plants with a capacity equal or greater to 0.5 MW and Power Plants of any size represented by a Generator in the Wholesale Energy Market require a generation permit granted by CRE.

Article 130 of the LIE establishes that in order to obtain a generation permit from CRE, the interested parties must submit: (i) the corresponding application; (ii) evidence of payment of the applicable duties; (iii) the information regarding its corporate purpose, legal, technical and financial capacity; and (iv) the project’s description pursuant to the terms set forth by CRE through administrative rules of general application.

Accordingly, article 21 of the Regulations of the LIE (*Reglamento de la Ley de la Industria de Eléctrica*, the “RLIE”) provides that permit applications must be submitted in accordance with the format issued by CRE and must contain, in addition to the requirements set forth in article 130 of the LIE: (i) the name and tax address of the interested party; (ii) the address to hear and receive notifications; (iii) the name of the legal representative, if applicable; (iv) the type of permit or authorization requested; (v) the location of the Power Plant; (vi) the capacity and annual estimated generation of the Power Plant; and (vii) the type of technology and, if applicable, the primary fuel.

Article 22 of the RLIE establishes that, together with the permit application, the interested parties must submit “**at least**” the following information: (1) authority and legal existence, if any, of the interested party; (2) the powers and legal authority of the legal representative; (3)

the corporate purpose of the interested party, to the extent it is a legal entity; (4) the information regarding the technical and financial capacity of the interested parties, "pursuant to the terms established by CRE in the administrative rules of general application issued for such purpose"; (5) evidence of payment of duties, if applicable, and (6) the estimated commencement and completion dates of the applicable works, including the estimated commissioning date, considering, if applicable, the successive stages, and the estimated amount of the cost of the works.

In compliance with article 130 of the LIE, on March 19, 2015, CRE issued the Original Provisions, which came into effect on April 9, 2015, which are replaced by the New Provisions.

## **II. New Provisions**

According to their text, the purpose of the New Provisions is, on one hand *"to provide greater certainty to those power plants that require an interconnection, prior to conducting subsequent processes with other governmental offices"* and, on the other hand *"to update the information details to be included in the power generation permit application, as well as to clarify the scope of its review in order to have more elements for the evaluation of the power generation permit applications"*.

The New Provisions establish, essentially, the following changes:

- a) Indicate the several activities comprising the works program, namely (i) previous activities, (ii) about to commence works, (iii) construction of the power plant, (iv) performance tests, and (v) commencement of commercial operation. Pursuant to these definitions, particularly the definition of commencement of commercial operation, the New Provisions clarify certain discrepancies between the generation permits, the applicable regulations regarding interconnection and the Operation Procedure for the Declaration of Commencement of Commercial Operation of Power Plants and Load Points (*Procedimiento de Operación para la Declaración de Entrada en Operación Comercial de Centrales Eléctricas y Centros de Carga, "POC"*), regarding as to when shall a power plant be deemed to have started its operations. Pursuant to the New Provisions, a power generation project shall be deemed to have reached "commercial operation" for purposes of its generation permit, once CENACE has issued the Commencement of Commercial Operation Declaration pursuant to POC.
- b) That the applicants must submit, together with the application, in addition to the documents contemplated in the Original Provisions, the following: (i) the applicant's capital stock structure, as well as the names, key rights, tax identification certificate

(*cédula de identificación fiscal*) of each direct or indirect shareholder of the applicant up to the level of an individual; (ii) confirm whether the applicant or its shareholders have any permit issued by the Ministry of Energy (*Secretaría de Energía*) or CRE; (iii) if the permit requested will be used to generate power under the isolated supply scheme, description of “own needs” concept that is intended to be satisfied, including the type of supplier that will provide shortfalls, information regarding the load points to be supplied and a single line diagram (*diagrama unifilar*) of the isolated supply, (iv) the Impact Study issued by CENACE in terms of the Manual for the Interconnection of Power Plants and Connection of Load Points (the “Interconnection Manual”)<sup>1</sup> and (v) detailed information regarding the business plan and works program related to the generation project.

- c) A new obligation consisting in the delivery of a commitment letter, in which the applicants represent, under oath, among others, that neither the applicant nor its shareholders: (i) have been subject to an administrative sanction resulting from a final resolution of the Ministry of Public Service; (ii) are ineligible to act as a supplier by the Ministry of Public Service; (iii) have been repeatedly sanctioned by CRE with respect to the activities related to the subject matter of the requested permit; (iv) are subject to a proceeding with the Financial Intelligence Unit of the Ministry of Finance, which limits or restricts their financial capacity; or (v) are in the definitive global list of Article 69-B, paragraph four of the Federal Tax Code (*Código Fiscal de la Federal*), published by the Tax Administration Service (*Servicio de Administración Tributaria*).
- d) Includes a new list of obligations once the power generation permit is granted, including the following: (i) every 60 (sixty) business days, deliver to CRE a report regarding the progress of each of the stages of the works program contemplated in the permit, including evidence thereof; (ii) that the commencement of the commercial operation of the power plant matches with the works program and with the notice/Declaration of Commencement of Commercial Operation issued by CENACE pursuant to the Interconnection Manual and the POC; (iii) inform CRE regarding the agreements entered into between the permit holder and the fuel supplier, carrier or distributor, as well as all documentation demonstrating the “possible commercial alliance” between them; and (iv) inform CRE regarding any change in the capital structure or in the business plan of the permit holder. Please note that the New Provisions do not require CRE’s approval for any such changes.

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<sup>1</sup> We note that the terms set forth in the Interconnection Manual for the issuance of the Facilities Study that follows the Impact Study, as well as the request for the execution of the interconnection agreement, may be insufficient vis a vis the terms required by CRE for the process and determination of the power generation permit application, in the understanding that, having a power generation permit is one of the conditions to execute the interconnection agreement.

The New Provisions shall become effective the day after their publication in the DOF, thus, the power generation permit applications that are in process up until the New Provisions becoming effective will be resolved pursuant to the Original Provisions. The foregoing seems to imply that the changes established by the New Provisions will not be retroactively enforced in prejudice of the individuals/entities that have already requested or obtained generation permits in terms of the Original Provisions.

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## Annex 1

### Comparative table of the information that shall be filed together with the application

Matter	Original Provisions	New Provisions
Tax address	N/A	Tax Address
Official ID	Official documents containing the applicant's identification information, such as name, address and nationality, in the event the applicant is an individual.	In case of national individual, original digitalized copy of the valid credential issued by the National Electoral Institute ( <i>Instituto Nacional Electoral</i> ) or valid passport issued by the Ministry of Foreign Affairs ( <i>Secretaría de Relaciones Exteriores</i> ), <b><u>as well as proof of address not older than 3 (three) months</u></b> . In the case of a foreign individual, the original digitalized copy of a valid passport.
Legal existence of legal entities	If applicable, original or certified copy of the articles of incorporation of the company, executed before a notary and through a public deed registered in the Public Registry of Property and Commerce, <u>as well as its corporate purpose</u> , in the event the applicant is a legal entity, or the documentation evidencing the legal existence in the event of entities and agencies of the Federal, State and Municipal governments and Productive State Companies ( <i>Empresas Productivas del Estado</i> ).	If the applicant is a legal entity, digitalized notarial copy or digitalized certified copy of the articles of incorporation of the company and, if applicable, its amendments to the bylaws granted before a notary public and registered in the Public Registry of Property and Commerce.  In the event the applicant is an entity or agency of the Federal, State or Municipal Government or is a Productive State Company, the documentation that evidences its legal existence.
Tax Identification Certificate of the	The applicant was obliged to include its Tax Identification Number in the application format.	The tax identification certificate ( <i>cédula de identificación fiscal</i> ) of <b><u>the applicant, the partners or shareholders and of the people or groups of people who have</u></b>



Matter	Original Provisions	New Provisions
Applicant and its Shareholders		<b><u>control of the company</u></b> , who hold any percentage of the shares and/or rights inherent to the participation in the corporate structure and capital stock of the permit holder.
Address to receive notifications	The applicant was obliged to include information regarding its address and phone number in the application format.	Address to hear and receive all kinds of notifications, name of the people authorized to do so and contact information (telephone number and e-mail).
Capital Stock Structure and information of Direct or Indirect Shareholders	N/A	<p><b>The Applicant's capital stock structure, including the information through the capital stock structure format, taking into account the following considerations:</b></p> <ul style="list-style-type: none"> <li>i. <b><u>Provide the name of each direct or indirect partner, party, associate or shareholder, up to the level of an individual, and in all cases, submit a tax identification certificate evidencing that each of the partners has a taxpayer identification number (RFC);</u></b></li> <li>ii. <b><u>If the capital stock structure is comprised by different types of shares or equity interests, such circumstance shall be stated, distinguishing the share or equity interest and describing the main rights granted by such share or equity interest, and indicating the participation held by each direct and</u></b></li> </ul>



Matter	Original Provisions	New Provisions
		<p>indirect partner, part, associate or shareholder in the capital stock structure;</p> <p>iii. In the event that the applicant, whether an individual or legal entity, does not have any link with another company and does not have any other type of permits, it must state in writing, under oath, that it does not have any participation in other companies or links with other persons that are related to the activity of the requested permits;</p> <p>a. In the case of individuals, indicate in the shareholding structure format, the following:</p> <ol style="list-style-type: none"> <li>1. Economic interest group to which they belong</li> <li>2. Taxpayer Identification Number (RFC)</li> <li>3. Indicate if the applicant has permits granted by CRE or SENER or if he or she has any position in the organization.</li> <li>4. Other type of control (in case there are persons who can directly or indirectly direct the management, strategy or main policies of the company, this can be by</li> </ol>





Matter	Original Provisions	New Provisions
		<p>contract, ownership of securities or other).</p> <p>5. Description of the relationship by blood or affinity up to the fourth degree with other partners, part, associate or shareholder, who are individuals, as well as with other permit holders of CRE and SENER.</p> <p>6. Other type of relationship between Partner, Party, Associate or Shareholder that is an individual.</p> <p>b. In the case of a legal entity, indicate in the shareholding structure format, the following:</p> <p>1. The information that derives from the document indicated in numeral 3;<sup>2</sup></p> <p>2. Economic interest group to which they belong;</p> <p>3. Tax Identification Number (RFC);</p> <p>4. Indicate if the applicant and/or its partners or shareholders have permits granted by CRE or SENER or if they hold any position in the organization.</p> <p>5. Other type of control</p>

<sup>2</sup> That is, the information regarding the Legal Existence of legal entities described above.

Matter	Original Provisions	New Provisions
		<p><b>6. Other type of relationship between Partner, Party, Associate or Shareholder that is an individual.</b></p> <p><b>c. In the event that the capital stock is held though a trust or the project financing of the plant is through a trust:</b></p> <ol style="list-style-type: none"> <li><b>1. Name and Tax Identification Number (RFC) of the settlor</b></li> <li><b>2. Name and Tax Identification Number (RFC) of the trustee</b></li> <li><b>3. Name and Tax Identification Number (RFC) of the beneficiary</b></li> <li><b>4. Date of the trust agreement</b></li> <li><b>5. Object or purpose of the trust</b></li> <li><b>6. Rights or assets subject to the trust</b></li> <li><b>7. Term of the trust</b></li> <li><b>8. Rights and obligations held by each party to the trust.</b></li> <li><b>9. Agreement of each one of the trusts</b></li> <li><b>10. Conditions under which the trust may be terminated.</b></li> </ol> <p><b>d. Likewise a corporate diagram must also be provided.</b></p>



Matter	Original Provisions	New Provisions
Powers of the representatives	If applicable, original or certified copy of the public deed evidencing the authority and powers of the legal representative of the applicant, and copy of his or her official id. It must be stated that such legal representation has not been revoked, modified or limited in any way as of the date of filing the application.	If applicable, digitalized original or digitalized certified copy of the public deed evidencing the authority and powers of the legal representative of the applicant, as well as a copy of his or her official id. The applicant must state, in writing under oath, that such legal representation has not been revoked, modified or limited in any way as of the date of filing the application.
Project description	<p>The description in general terms of the project, which shall contain:</p> <p>a. Proposed location of the power plant, indicating the characteristics of the geographic area and the map delimiting the geodesic coordinates.</p> <p>b. Indicate if it will be a power plant for isolated supply.</p>	<p>The description of the project, which shall contain at least the following:</p> <p>i. Location of the power plant, indicating the polygon delimited by geodetic coordinates in the WGS84 system and marked in a .kmz file format.</p> <p>ii. Indicate whether it will be a power plant under the classification of isolated supply interconnected or not to the SEN.</p> <p>iii. In the case of isolated supply classification, in <b><u>the description of own needs, at least the following must be included:</u></b></p> <p>a. <b><u>If interconnected to the SEN, indicate which type of supplier will supply the shortfalls of</u></b></p>



Matter	Original Provisions	New Provisions
	<p>c. Indicate if it will be individually interconnected at a specific point of the National Transmission Grid (the RNT) or the General Distribution Grids (the RGD) or if it is one of the cases where several projects are connected to a specific point of the RNT or the RGD.</p>	<p><u>energy and associated products that it requires.</u></p> <p>b. <u>Information about the load charts and the load point, detailing regarding the latter:</u></p> <ol style="list-style-type: none"> <li>1. <u>Demand.</u></li> <li>2. <u>Type of load.</u></li> <li>3. <u>If applicable, connection agreement.</u></li> <li>4. <u>Electrical diagrams of the connection of the load point.</u></li> <li>5. <u>If applicable, Public Registry of Users.</u></li> </ol> <p>c. <u>One-line diagram (in .pdf format) of the isolated supply</u> considering the power plant, the end user, if applicable, the interconnection point, the measurement points, among others.</p> <p>iv. Indicate if it will be individually interconnected at a specific point of the National Transmission Grid (the RNT) or the General Distribution Grids (the RGD) or if it is one of the cases where several projects are connected to a specific point of the RNT or the RGD.</p>



Matter	Original Provisions	New Provisions
	<p>d. The single-line diagram of the power plant(s) including its/their proposed point(s) of interconnection with the National Electric System (SEN).</p> <p>e. The capacity of the power plant indicating the applicable capacity in alternate current and direct current, when applicable, as well as the estimated annual generation.</p> <p>Type of technology and, when applicable, the primary fuel.</p>	<p>v. The simplified single-line diagram (.pdf format) of the power plants including their proposed interconnection point with the SEN.</p> <p>vi. The installed Capacity of the power plant indicating, when applicable, the applicable capacity in alternate current and direct current, as well as the estimated annual <b><u>net and gross</u></b> energy production.</p> <p>vii. Type of technology <b><u>(providing the applicable technical data sheets of the equipment associated with the generation)</u></b> and, when applicable, the primary fuel <b><u>and if applicable the secondary fuel, calorific value of both, consumption, cost, data of the supplier and carrier or distributor of said fuels, if applicable, as well as their current permit granted by CRE, in addition to the documents required to demonstrate the possible commercial alliance that exists between them and the applicant, in accordance with the provisions of article 8 of the LIE and the terms of strict legal separation established by SENER.</u></b></p>



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		<p>viii. <u>Indicate if it corresponds to UCEM, indicating the following information in a free writing (in .pdf format) in accordance to the Grid Code:</u></p> <ol style="list-style-type: none"> <li>1. Minimum and maximum capacity;</li> <li>2. Controllability;</li> <li>3. Capability curve;</li> <li>4. P-Q/Pmax diagram;</li> <li>5. V-Q/Pmax diagram;</li> <li>6. Minimum Dispatch Limit;</li> <li>7. Shutdown and start-up parameters;</li> <li>8. Start-up costs (hot, warm and cold);</li> <li>9. Operation and maintenance costs according to their maximum capacity.</li> </ol>
Impact Study	N/A	<p><u>In the event the power plant intends be interconnected, digitalized original of the document issued by CENACE indicating the result of the Impact Study or fast version impact study, as applicable, according to the process for the attention of Interconnection Requests of Power Plants or Connection of Load Points. Such document must be issued to the name of the applicant of the power generation permit. In the case of Power Plants with Cluster Capacity classified as Self-financed Clusters, the applicant may submit the official document issued by CENACE in this respect.</u></p>



Matter	Original Provisions	New Provisions
Energy Storage	N/A	<b>Indicate whether the power plant will have an energy storage system; if so, provide the information describing such system in detail in .pdf format.</b>
Social Impact Request	The documentation that evidences that the applicants has submitted to the Ministry of Energy the social impact assessment request.	Digitalized original of the acknowledgement of receipt of the application, including the exhibits submitted to SENER regarding the social impact assessment. <b><u>The exhibits submitted to the aforementioned agency must match with what is indicated in the project description in terms of location and capacity.</u></b>
Works program	The estimated <u>beginning and completion dates of the respective works, including the estimated date of commissioning</u> , considering the successive stages, committing not to suspend the works for a period of more than three months and knowing that only the extension referred to in article 31 of the Federal Administrative Procedure Law will be applicable.	Submit a detailed work program (in .xlsx format and its .pdf version), as <b>indicated in the Definitions section of this Provision, containing at least the beginning and conclusion of each of the following stages:</b> <ul style="list-style-type: none"> <li>i. <b><u>Previous activities.</u></b></li> <li>ii. <b><u>About to commence works.</u></b></li> <li>iii. <b><u>Construction of the power plant, broken down by:</u></b> <ul style="list-style-type: none"> <li>a. <b><u>Civil works.</u></b></li> <li><b><u>Electrical-mechanical work.</u></b></li> <li><b><u>Construction of evacuation line.</u></b></li> <li>b. <b><u>Construction of the electrical substation.</u></b></li> </ul> </li> <li>iv. <b><u>Performance tests of the power plant.</u></b></li> </ul>



Matter	Original Provisions	New Provisions
		<p><b>v. <u>Commencement of commercial operation.</u></b></p> <p>The foregoing, committing not to suspend the works for a period longer than three months and knowing that only the extension referred to in article 31 of the Federal Law of Administrative Procedure will be applied.</p>
Business Plan	The business plan, if the power plant is not already installed.	<p>The Business Plan (in .pdf and .xlsx format), if the power plant is not already installed. <b><u>Said plan shall contain at least the following elements:</u></b></p> <ul style="list-style-type: none"> <li><b>a. The Amount of Investment of the project (in Mexican pesos) attaching the supporting documentation that justify the costs, describing at least the following:</b> <ul style="list-style-type: none"> <li><b>1. Cost of the civil, electrical, mechanical, works and safety system, etc.;</b></li> <li><b>2. Cost of the facilities, machinery, land, and/or equipment/vehicles (vehicle units), technology, if applicable; and</b></li> <li><b>3. Governmental procedures (disaggregating the cost and concept of each authorization, permit or procedure);</b></li> </ul> </li> </ul>





Matter	Original Provisions	New Provisions
		<p><b>4. Commitment letter in which it commits to submit the supporting documentation of the amount of the investment effectively made at the beginning of operations of the permit.</b></p> <p><b>b. Internal rate of return.</b></p> <p><b>c. Breakdown of operating and maintenance costs.</b></p> <p><b>d. Capital flows (proforma scheme).</b></p> <p><b>e. Projected period of operation.</b></p> <p><b>f. Projected total revenues.</b></p> <p><b>g. Debt to equity ratio.</b></p> <p><b>h. Financing amounts (if applicable) as well as the financing period and the projected interest rate.</b></p>
Proof of payment	Proof of payment of the respective fees and duties.	If applicable, original digitalized proof of payment of the respective fees or duties.
To evidence financial capacity	In order to evidence the financial capacity of the applicant or of the business group to which it belongs, a financing program must be submitted containing: (i) a general description and outline of the general financing plan for the project, (ii) a general description of capital contributions and/or (iii) a general description of the financing credit plan.	[To] evidence the financial capacity of the applicant or of the business group to which it belongs, by means of a financing program (in .pdf and .xlsx format) containing: (a) the general description and outline of the general financing plan of the project, (b) the general description of capital contributions and/or (c) the general description of the financing credit plan.



Matter	Original Provisions	New Provisions
	<p>To support the above, one of the following documents must be submitted:</p> <ol style="list-style-type: none"> <li>General financial statements of at least 2 years prior to the date of application for the permit of the applicant or of the business group to which it belongs.</li> <li>Instruments, such as letters of intent, drafted in the form of free writings, or of irrevocable credits, that ensure the financing of the required investment for the development of the project in accordance with the submitted business plan.</li> </ol>	<p>To support the above, one of the following documents must be submitted:</p> <ol style="list-style-type: none"> <li>Financial statements <b><u>audited by an accountant with a current registration in the Registry of Public Accountants of the Tax Administration Service, including the income statement, balance sheet, cash flow statement and the notes of the external auditor</u></b>, of at least the 2 (two) years prior to the date of application for the permit;</li> <li>Instruments, such as letters of intent, drafted in the form of free writings, or irrevocable credits, that ensure the financing of the required investment for the development of the project in accordance with the submitted business plan.</li> </ol>
To Evidence the Technical Capacity of the Applicant or of the Business Group to which it belongs	In order to evidence the technical capacity of the applicant or the business group to which it belongs, submit documented information that evidences the applicant's experience in the design, construction and operation of generation projects with similar characteristics to the subject matter of the permit must be submitted. To this effect, the applicant must provide documentary evidence that it has its	<p>To evidence the technical capacity of the applicant or of the business group to which it belongs, submit at least (...) [the] information (in .pdf format) that proves the applicant's experience in the design, construction and operation of generation projects with similar characteristics to the subject matter of the permit, such as:</p> <ol style="list-style-type: none"> <li><b><u>Curriculum of the company indicating the projects developed and the years of</u></b></li> </ol>



Matter	Original Provisions	New Provisions
	own or subcontracted technical and material resources to carry out the different stages of the project mentioned above. To show that it has the resources in each item, it must present the applicant's history, human resources, its own materials or services agreements with third parties or, if applicable, letters of intent or commitment to provide engineering, construction and operation services with third parties.	<p><b><u>experience in the development of power generation projects.</u></b></p> <p><b>b. <u>If applicable, original digitized letters of intent from the companies that specify their interest and commitment to build the power plant indicated in the permit application. To this effect, it must provide evidence that it has its own or subcontracted technical and material resources to carry out the above-mentioned stages of the project. In order to show that it has the resources in each item, the following must be submitted:</u></b></p> <ol style="list-style-type: none"> <li><b><u>1. Applicant's history,</u></b></li> <li><b><u>2. Curriculum vitae of the human resources responsible of the design, construction and operation of the power plant,</u></b></li> <li><b><u>3. Own materials or services agreements entered into with third parties or,</u></b></li> <li><b><u>4. If applicable, letters of intent or commitment to provide engineering, construction and operation services with third parties.</u></b></li> </ol>
Commitment Letter	N/A	<b>Commitment Letter (in .pdf format) representing to CRE, under oath, that:</b>



Matter	Original Provisions	New Provisions
		<p>a) It is are aware of the penalties incurred by persons who make false statements before a non-judicial authority, in accordance with the Federal Criminal Code;</p> <p>b) Neither the applicant nor, as the case may be, its shareholders have been subject to an administrative sanction resulting from a final resolution of the Ministry of Public Service;</p> <p>c) Neither the applicant nor, if applicable, its shareholders are ineligible to act as suppliers by the Ministry of Public Service;</p> <p>d) Neither the applicant nor, if applicable, its shareholders have been repeatedly sanctioned by CRE with respect to the activities related to the subject matter of the requested permit;</p> <p>e) Neither the applicant nor, if applicable, its shareholders are subject to a proceeding with the Financial Intelligence Unit of the</p>



Matter	Original Provisions	New Provisions
		<p><b>Ministry of Finance that limits or restricts their financial capacity;</b></p> <p><b>f) Neither the applicant nor, as the case may be, its shareholders are in the definitive global list of Article 69-B, fourth paragraph of the Federal Tax Code, published by the Tax Administration Service;</b></p> <p><b>g) That if the permit is granted, the applicant or its shareholders, as the case may be, know that the legal entities shall be criminally liable for the crimes committed in their name, on their account, for their benefit or through the means they provide, when it has been determined that there was also a failure to observe proper control in their organization, as well as, if applicable, the sanctions that may be applied to legal entities in accordance with articles 421 and 422 of the National Code of Criminal Procedures in connection to article 11 Bis of the Federal Criminal Code;</b></p> <p><b>h) That they are familiar with the regulations applicable to Electricity;</b></p>



Matter	Original Provisions	New Provisions
		<p>i) That if the permit is granted, it will submit to CRE, within 90 (ninety) calendar days from the notification of the permit, regarding the proper control in its organization, the following:</p> <ol style="list-style-type: none"> <li>1. Organizational and procedural manual, outlining the roles and responsibilities of each of its areas and clearly specifying the different chains of command and leadership throughout the structure;</li> <li>2. Control mechanisms for operational, accounting and third-party information;</li> <li>3. Code of Conduct and the means by of which such code will be communicated to all members of the organization;</li> <li>4. Control, monitoring and auditing procedures that constantly and periodically examine compliance with integrity standards (anti-corruption and anti-discrimination), regulatory obligations and the current legislation;</li> </ol>



Matter	Original Provisions	New Provisions
		<p>5. Whistle-blowing procedures, both within the organization and to the competent authorities, as well as disciplinary processes and concrete consequences for those who breach to the Code of Ethics, internal rules, applicable regulations or current Mexican legislation;</p> <p>6. Human resources policies aimed at avoiding the incorporation of personnel with conflicts of interest or lack of integrity, as well as avoiding discrimination against any person based on ethnic or national origin, gender, age, disabilities, social status, health conditions, religion, opinions, sexual preferences, marital status or any other that violates human dignity and aims to nullify or impair the rights and freedoms of individuals.</p> <p>7. Training programs on integrity measures for staff at all levels of the structure.</p>



Matter	Original Provisions	New Provisions
		The Letter must be signed, if the applicant is an individual, by the Applicant. If the applicant is a legal entity, it must be signed by the legal representative.



## Annex 2

### Comparative Table of permit holder obligations

Matter	Obligations established in the title of Generation Permits	Obligations under the New Provisions
Applicable legal provisions	<p>To comply with and adopt the measures required to comply with the aforementioned Condition Four.</p> <p>"FOURTH. Applicable legal provisions. The permitted activity will be subject to the provisions of the Political Constitution of the United Mexican States, the Power Industry Law (LIE) and its Regulations, the Law of the Coordinated Regulatory Bodies in Energy Matters (<i>Ley de Organos Reguladores Coordinados en Materia Enenergética</i>), the Wholesale Energy Market Rules, as well as other provisions of a general or individual application that may be applicable, such as Mexican official standards, Mexican standards, resolutions, rulings, directives, terms, bases and rules."</p>	Comply with and take the required measures to comply with the applicable legal provisions.
Interconnection and Market Participant Agreement	Enter into the applicable interconnection and market participant agreements and other agreements required to carry out the operations related to or derived from the power generation that it intends to carry out, in accordance with the applicable legislation, if so required.	Enter into the applicable interconnection and market participant agreements and other agreements required to carry out the operations related to or derived from the power generation that it wishes to carry out in <b>a timely manner</b> , in accordance with the applicable legislation, if so required.



Matter	Obligations established in the title of Generation Permits	Obligations under the New Provisions
Government authorizations	Obtain the authorizations or permits required by other authorities with respect to the permitted activity, <b><u>prior to the commencement of operations established in the aforementioned Condition Two</u></b> , and continue to comply with the obligations derived therefrom.	Obtain the authorizations or permits required by other authorities with respect to the permitted activity, <b><u>at the commencement of the performance testing stage established in the works program</u></b> , and continue to comply with the obligations derived therefrom.
Social impact obligations	Comply with the resolution and recommendations of the Ministry of Energy regarding social impact, in terms of article 120 of the LIE.	Comply with the resolution and recommendations of SENER regarding social impact, in terms of article 120 of the LIE.
Accounting separation	Comply with the terms of accounting separation, as well as with the rules for transactions between generators and their affiliated marketers established by CRE.	Comply with the terms of accounting separation, as well as with the rules for transactions between generators and their affiliated marketers established by CRE.
Works program progress report	N/A	<p>Every 60 (sixty) business days, provide CRE with a report regarding the progress of each of the stages of the works program, together with the applicable evidence thereof, including but not limited to, according to the corresponding stage:</p> <p>a) Documents indicated in the Manual for the Interconnection of Power Plants and Connection of Load Points, of procedures for clarification of entry into commercial operation and in the Registration and Accreditation of Market Participants;</p>



Matter	Obligations established in the title of Generation Permits	Obligations under the New Provisions
		<p>b) Municipal and State licenses and authorizations;</p> <p>c) Right-of-way agreements or negotiation history.</p> <p>d) Report with unedited panoramic photographs, including the date on which they were taken, clearly showing the progress reported, with emphasis on showing the installed infrastructure or equipment or work performed, which must include descriptions of what is intended to be demonstrated in each one.</p> <p>Said count will begin as of the start date indicated in each of the stages indicated in the work program.</p>
Report regarding the technical characteristics of the plant	N/A	<p>Provide CRE, no later than 15 (fifteen) business days following the conclusion of the performance testing stage of the power plant indicated in the works program, with a report containing the following elements:</p> <p>a) Installed capacity of the power plant and estimated net and gross annual generation.</p> <p>b) Technical data sheets and nameplate data of the equipment associated with the generation of electric energy.</p>



Matter	Obligations established in the title of Generation Permits	Obligations under the New Provisions
		c) Simplified single-line diagram. d) Interconnection point, if applicable.
Commencement of commercial operation notification	Notify CRE the commencement of commercial operation of the generation plant within 15 business days after it occurs, <b><u>pursuant with the dates indicated in the works Program.</u></b>	Notify CRE of the commencement of commercial operation of the generation plant within 15 (fifteen) business days after it occurs, <b><u>which shall match with the information available to CRE regarding the operation design of the project and the date indicated in the works program and attach the official notification of the commencement of commercial operation of the power plant issued by CENACE pursuant to section 12.4.9 of the Manual for the Interconnection of Power Plants and Connection of Load Points or the provision that replaces it.</u></b>
Information delivery regarding the investment and proper control in the organization	N/A	Provide CRE with the information provided in number 9, subnumber xiii, item a, point 4 <sup>3</sup> and subnumber xvii, item i of the Fourth Provision. <sup>4</sup>
Notices to CENACE	Notify CENACE of each power plant it represents and comply with its instructions, if applicable.	Notify the National Center of Energy Control (CENACE) of each power plant it represents and comply with its instructions.

<sup>3</sup> That is, the supporting documentation of the amount of the investment actually made at the beginning of the operations of the permit.

<sup>4</sup> That is, the information described in paragraph i of the information that the Commitment Letter must contain regarding the proper control in the organization.

Matter	Obligations established in the title of Generation Permits	Obligations under the New Provisions
Regulation regarding the infrastructure	Comply with the applicable regulation and best practices regarding infrastructure and equipment.	Comply with the applicable regulation and best practices regarding infrastructure and equipment.
CENACE instructions	Operate the power plant in compliance with CENACE's instructions.	Operate the power plant in compliance with CENACE's instructions.
Information requirements	Comply with CRE's information requirements and reporting obligations related to its permit.	Comply with CRE's information requirements and reporting obligations related to its permit.
Plant maintenance	Subject the maintenance of the power plant to CENACE's coordination and instructions.	Subject the maintenance of the power plant to CENACE's coordination and instructions.
Agreements with fuel suppliers	N/A	Communicate to CRE within 15 (fifteen) business days following the commencement of its commercial operation and when applicable, the agreements entered into between the permit holder and the fuel supplier, carrier or distributor, as well as all those documents that evidence the possible commercial alliance between them.
Report regarding the generation	Inform CRE, once it starts operating in the wholesale energy market, the amount of electricity generated monthly, as well as the additional information requested, through the formats published in the electronic address <a href="http://www.cre.gob.mx">http://www.cre.gob.mx</a> , within a maximum period of 10 business days following the conclusion of the previous reporting period.	Inform to CRE, once it starts its operation, the amount of electricity generated monthly, with a <b><u>breakdown of net and gross energy</u></b> , as well as the additional information requested, through the formats published in the electronic address <a href="http://www.cre.gob.mx">http://www.cre.gob.mx</a> , within a maximum term of 10 (ten) business days following the conclusion of the previous reporting period.
Facility access	Facilitate access to its facilities in the event that it is notified of conduction of verification visits to	Facilitate access to its facilities upon prior notification in order to carry out verification visits for the purpose



Matter	Obligations established in the title of Generation Permits	Obligations under the New Provisions
	verify the compliance with applicable legal provisions.	of verifying the compliance with applicable legal provisions.
Change in the shareholding structure and business plan	N/A	<b><u>Inform CRE of any changes to the capital structure or business plan.</u></b>
Others	Any other established by the LIE.	Any others established by the LIE, <b><u>the RLIE or those that replace them, as well as the regulatory framework of the power industry.</u></b>

